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STATE OF INDIANA

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INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY
REGULATORY COMMISSION

IN THE MATTER OF THE INDIANA)
UTILITY REGULATORY COMMISSION'S)
INVESTIGATION OF MATTERS RELATED)
TO THE CONTINUED BUSINESS)
PRACTICES OF RIVER'S EDGE UTILITY,)
INC., IN THE STATE OF INDIANA)
PURSUANT TO INDIANA CODE 8-1-2-1(A),)
8-1-2-58, 8-1-2-69, 8-1-2-89, et seq.)

CAUSE NO. 43115

PREFILED REBUTTAL TESTIMONY

OF

CAROLYN STONE

ON BEHALF OF
RIVER'S EDGE UTILITY, INC.

RIVER'S EDGE UTILITY, INC.
Charlestown, Indiana

Prefiled Rebuttal Testimony of Carolyn Stone
Cause No. 43115

1 1. Q: PLEASE STATE YOUR NAME AND ADDRESS.

2 A: My name is Carolyn Stone and my business address is 4513 Stoneview Drive,
3 Charlestown, Indiana 47111.

4 2. Q: ARE YOU THE SAME CAROLYN STONE THAT PREFILED DIRECT
5 TESTIMONY IN THIS CAUSE?

6 A: Yes.

7 3. Q: HAVE YOUR OPINIONS AS STATED IN YOUR PREFILED TESTIMONY
8 IN THIS CAUSE CHANGED?

9 A: No, they have not.

10 4. Q: HAVE YOU REVIEWED THE PREFILED TESTIMONY OF SCOTT A. BELL
11 FILED AS PUBLIC'S EXHIBIT #1 IN THIS CAUSE?

12 A: Yes, I have.

13 5. Q: IN MR. BELL'S TESTIMONY, HE DESCRIBES RIVER'S EDGE UTILITY,
14 INC. ("RIVER'S EDGE"). IS HIS DESCRIPTION OF RIVER'S EDGE
15 ACCURATE?

1 A: No, it is not. River's Edge no longer provides sewer or water service to any
2 commercial businesses.

3 6. Q: MR. BELL TESTIFIED THAT THE MOUNDS SYSTEM USED BY RIVER'S
4 EDGE TO TREAT WASTEWATER ("MOUNDS SYSTEM") DOES NOT
5 HAVE ADEQUATE CAPACITY TO SERVE THE CUSTOMERS WITHIN
6 RIVER'S EDGE'S SERVICE TERRITORY. YET, ON PAGE 4, LINES 9-10
7 OF YOUR PREFILED TESTIMONY IN THIS CAUSE, YOU STATE THAT
8 "THERE HAS BEEN NO REASON TO MODIFY THE MOUND SYSTEM AS
9 IT HAS PROVIDED SAFE AND ADEQUATE SERVICE FOR
10 APPROXIMATELY SEVENTEEN (17) YEARS." WOULD YOU PLEASE
11 EXPLAIN MORE SPECIFICALLY WHY RIVER'S EDGE HAS NOT
12 NEEDED TO MODIFY THE MOUNDS SYSTEM SINCE ITS
13 CONSTRUCTION IN 1990?

14 A: As I have previously testified, the River's Edge Community has always been
15 divided into the campground and residential areas (respectively, "Campground
16 Area" and "Residential Area"). The Mounds System approved by the Indiana
17 State Department of Health ("ISDH") utilizes two (2) mounds to treat wastewater
18 from the Campground Area ("Campground Mounds"), and up to four (4) mounds
19 to treat wastewater produced by the permanent homes built in the Residential
20 Area. In 1990, River's Edge built both of the mounds for the Campground Area
21 as it was anticipated that the lots in that area would sell and be used soon after the
22 lots were ready for occupancy. As we anticipated that development in the
23 Residential Area would not occur as quickly, we opted to build only one (1)

1 mound ("Residential Mound") with enough capacity to provide sewer service to
2 ten (10) homes, and reserved land to construct the three (3) additional mounds to
3 serve future development in that area. This "phased" approach was noted on the
4 as-built plans that were submitted and approved by ISDH by labeling three (3) of
5 the Residential Area mounds as "future."

6 Since 1990, development in the Residential Area, and the occupancy and use in
7 the Campground Area, have not warranted modification of the Mounds System.
8 More specifically, the Residential Area currently has only six (6) homes that are
9 connected to the Residential Mound. The Residential Mound has a capacity of
10 3,150 gallons per day ("gpd"). Based on 327 IAC 3-6-11, the Residential Area
11 only contributes 1,860 gpd (6 X 310 gpd) to the Residential Mound. Thus, at this
12 time, the Residential Mound has capacity to serve the existing customers and up
13 to four (4) additional homes in the Residential Area.

14 With respect to the Campground Area, each of the Campground Mounds has a
15 capacity of 3,800 gpd for a total capacity of 7,600 gpd. While the Campground
16 Area originally had seventy-six (76) lots that could be connected to the
17 Campground Mounds, the potential demand on the mounds has been decreased as
18 two (2) of those lots have been resurveyed and incorporated into adjacent lots, so
19 that technically there are only seventy-four (74) lots that could be connected to
20 the Campground Mounds. In addition, several people own two (2) or more
21 adjacent lots, but use one (1) sewer connection; therefore, although there are
22 seventy-six (76) lots on the as-built plans, the number of lots does not correspond
23 to the actual number of customers in the Campground Area. Currently, there are

1 only fifty-two (52) customers in the Campground Area. Of those fifty-two (52),
2 only six (6) are full-time customers – i.e. they utilize their campground lot as a
3 permanent residence. The majority of the lots are typically used only from May
4 through October, and on a weekend or intermittent basis during those months.
5 Therefore, during the busiest time of the year, the Campground Area is rarely
6 more than seventy percent (70%) full.

7 Even when the Campground Area is full, which is usually only during the Fourth
8 of July holiday, several owners rent port-o-lets for their property which further
9 reduces the burden on the Mounds System. From October through April, the
10 Campground Area is practically deserted, with only the few permanent residents
11 remaining during those months. During this time, the water to each of the non-
12 permanent resident's lots is disconnected. Thus, very little wastewater is sent to
13 the Campground Mounds for approximately six (6) months every year.

14 The extremely low volume of wastewater produced during the winter months
15 enables us to alternate the wastewater flow from one (1) Campground Mound to
16 the other. This cycling between mounds allows each of the mounds to dry out and
17 regenerate over the winter months. Because of the limited use of the Campground
18 Area, the Campground Mounds have continued to provide adequate wastewater
19 treatment to the customers in the Campground Area for more than seventeen (17)
20 years. Accordingly, there has been no reason to modify the Campground
21 Mounds.

1 To summarize, based on the existing capacity of the Residential Mound, and the
2 limited nature of the use of the Campground Area and wastewater flow to the
3 Campground Mounds, there has been no need to modify the Mounds System
4 since its construction in 1990.

5 7. Q: MR. BELL STATES IN HIS TESTIMONY THAT "THE STONES AND/OR
6 RIVER'S EDGE CONTINUE TO IGNORE THE [ISDH'S] REQUIREMENTS"
7 WITH RESPECT TO THE ISDH'S SEPTEMBER 12, 2000, AND AUGUST 1,
8 2006, LETTERS. DO YOU AGREE WITH MR. BELL'S STATEMENT?

9 A: No, I do not. After receiving the September 12, 2000, letter (the "September 2000
10 Letter"), we had numerous communications with the ISDH regarding their
11 concerns and allegations. We also submitted copies of revised as-built plans and
12 initiated the process to obtain the CTA at issue in this Cause. It follows that after
13 acquiring the CTA in 2003, we believed that we had complied with all of ISDH's
14 demands. Our belief was supported by the prefiled testimony of Roger A.
15 Pettijohn on behalf of the Office of Utility Consumer Counselor ("OUCC") in
16 Cause No. 42234. In his testimony, Mr. Pettijohn stated that he had consulted
17 with the ISDH regarding River's Edge and the Mounds System and the ISDH had
18 informed him that the Mounds System was adequate to meet the needs of the
19 customers in River's Edge's service territory. We presumed that if the ISDH had
20 conveyed to Mr. Pettijohn that there were any outstanding issues or violations that
21 River's Edge needed to address, with regard to the September 2000 Letter or
22 otherwise, Mr. Pettijohn would have included that information in his testimony.
23 As Mr. Pettijohn did not reference any such violations or issues, it was reasonable

1 to conclude that upon obtaining the CTA, we had satisfied the last of the ISDH's
2 demands from the September 2000 Letter.

3 Nearly six (6) years after receiving the September 2000 Letter, we received the
4 August 1, 2006, letter (the "August 2006 Letter"). This letter appears to have
5 been in response to the Fugits and other Campground Area lot owners filing
6 complaints with the OUCC and the ISDH about River's Edge's lack of capacity to
7 provide service to permanent stick-built homes in the Campground Area. Not
8 long after receiving the August 2006 Letter, the Indiana Utility Regulatory
9 Commission ("IURC") issued its Order in this Cause. The allegations and issues
10 contained in the August 2006 Letter are central to this Cause, and the letter itself
11 is addressed in the IURC's Order. At the outset, River's Edge's focus was on
12 responding to the IURC's Order and preparing for the prehearing conference and
13 hearing. In addition, our attorneys have attempted on several occasions by
14 telephone, and most recently through formal letters, to contact Mr. Ed Miller with
15 the ISDH as instructed in the August 2006 Letter, and in an effort to arrange a
16 meeting to discuss the ISDH's concerns and review the as-built plans for River's
17 Edge. We have also provided Mr. Miller with a copy of the revised as-built plans
18 that were previously submitted to the ISDH to verify that the ISDH has those
19 plans in its file.

20 The ISDH finally responded to our attorneys' requests on February 8, 2007. I
21 believe we will be able to meet with the ISDH as soon as possible to resolve, once
22 and for all, the ISDH's concerns.

1 Based on our responsiveness to the September 2000 Letter and the August 2006
2 Letter, I believe Mr. Bell incorrectly characterized River's Edge as having
3 ignored the ISDH's requirements. Mr. Bell's testimony is also inconsistent with
4 the testimony from his co-worker, Mr. Pettijohn, in Cause No. 42234, where
5 OUCC witness Pettijohn did not indicate that the ISDH had any issues or
6 problems with River's Edge.

7 8. Q: MR. BELL CITES IC 8-1-2-89 IN HIS TESTIMONY WITH RESPECT TO HIS
8 ASSERTION THAT IT WAS "REASONABLY EXPECTED" THAT RIVER'S
9 EDGE WOULD PROVIDE SEWER SERVICE TO PERMANENT STICK-
10 BUILT HOMES IN THE CAMPGROUND AREA, AND THAT RIVER'S
11 EDGE IS OBLIGATED TO PROVIDE SUCH SERVICE. DO YOU AGREE
12 WITH MR. BELL'S ASSESSMENT THAT IT WAS "REASONABLY
13 EXPECTED" THAT RIVER'S EDGE WOULD PROVIDE SERVICE TO
14 PERMANENT STICK-BUILT HOMES IN THE CAMPGROUND AREA?

15 A: No, I do not. At the time River's Edge obtained the CTA, it was illegal to build a
16 permanent home in the Campground Area as the area lies in the Ohio River
17 floodway. Furthermore, as stated above, and as I have previously testified in this
18 Cause and Cause No. 42234, the lots in the Campground Area were intended to be
19 used primarily for camping or RVs, with a limited number of lots having mobile
20 homes on them, and even fewer being used as a permanent residence. In fact,
21 each of the Campground Area lots has been deeded as a "camp lot." Thus, it was
22 not reasonable to expect that River's Edge would be faced with the possibility of

1 providing sewer service to seventy-six (76) permanent stick-built homes in the
2 Campground Area.

3 9. Q: MR. BELL STATES IN HIS TESTIMONY THAT RIVER'S EDGE "DOES
4 NOT ACKNOWLEDGE IT HAS ANY RESPONSIBILITY TO PLAN FOR
5 THE FUTURE OR MAKE IMPROVEMENTS THAT CONFORM TO THE
6 LOT OWNER'S ABILITY TO PLACE PERMANENT STRUCTURES ON
7 THEIR RIVER FRONT LOTS." DO YOU HAVE ANY COMMENTS
8 REGARDING MR. BELL'S STATEMENT?

9 A: Yes, I do. River's Edge fully acknowledges its responsibility to plan for the
10 future and its customers potentially changing needs; however, it was never
11 reasonable to expect that permanent stick-built homes would be built in the
12 Campground Area. Therefore, River's Edge had no reason to plan for expanding
13 the Mounds System to provide for the increased capacity that would be required
14 should such homes be built in that area. As River's Edge has not planned for such
15 a dramatic change in use, there are not funds available, or a rate structure in place,
16 to finance the construction of the additional mounds or facilities that would be
17 necessary to accommodate this shift in use and the resulting increase in
18 wastewater flow. In addition, there is no space remaining in the River's Edge
19 development that is suitable for construction of the number of mounds necessary
20 to meet the increased capacity requirements.

21 10. Q: MR. BELL STATES THAT RIVER'S EDGE'S "OPPOS[ITION] TO ITS
22 CUSTOMERS BUILDING PERMANENT STRUCTURES ON THEIR LOTS"

1 IS, AT LEAST IN PART, THE SOURCE OF THE DISPUTE IN THIS IS
2 CAUSE. IS RIVER'S EDGE OPPOSED TO THE CONSTRUCTION OF
3 PERMANENT HOMES IN THE CAMPGROUND AREA?

4 A: It is; yet, River's Edge's opposition stems from the negative impact that building
5 such houses will have on the Campground Mounds, the water supply, and other
6 River's Edge customers. More specifically, the Campground Mounds do not have
7 the capacity to serve permanent stick-built homes in the Campground Area.
8 Without adding additional capacity to the Mounds System to handle the increased
9 wastewater flow generated by permanent homes, the Campground Mounds would
10 fail, thereby leaving all Campground Area owners without sewer service.
11 Therefore, building such homes would necessitate constructing additional mounds
12 or treatment facilities.

13 In addition, permanent homes in the Campground Area will place a greater
14 demand on the existing wells. The increased demand for water will require
15 River's Edge to increase the capacity of its water supply as well.

16 Unless the Fugits, and other owners who build permanent homes in the
17 Campground Area, pay the costs of adding the sewer and water capacity
18 necessary to serve their permanent homes, the rest of River's Edge's customers
19 will be forced to shoulder much of the financial impact of expanding capacity.
20 River's Edge believes that it would be unfair to place that burden on customers
21 who are using their properties in a way that does not place additional demands on
22 the Mounds System or the water supply.

1 11. Q: TO BE CLEAR, RIVER'S EDGE'S OPPOSITION TO THE CONSTRUCTION
2 OF PERMANENT STICK-BUILT HOMES IN THE CAMPGROUND AREA IS
3 NOT AN ATTEMPT TO USE THE UTILITY TO CONTROL ZONING OR
4 DEVELOPMENT AS ALLEGED BY MR. BELL IN HIS TESTIMONY IN
5 THIS CAUSE?

6 A: Correct. River's Edge does not dispute that the owners of lots in the Campground
7 Area may now obtain permission to construct permanent homes in the floodway –
8 i.e. the Campground Area. Notwithstanding this recent change in the law, the
9 financial impact on River's Edge's existing customers of building the additional
10 water and sewer treatment facilities necessary to provided service to permanent
11 homes in the Campground Area would be extraordinary. As I mentioned, River's
12 Edge does not believe it is fair or equitable to force its customers who are not
13 increasing the demands on the Mounds System or water supply to pay for the
14 additional facilities necessitated by those lot owners in the Campground Area who
15 are seeking to radically change the use of their lots. Therefore, in an effort to
16 protect its customers from an exorbitant increase in rates to fund the additional
17 capacity that will be necessary to provide sewer and water service to permanent
18 stick-built homes in the Campground Area, River's Edge will remain opposed to
19 such construction, until an agreement can be reached that equitably allocates the
20 costs of adding water and sewer capacity.

21 12. Q: MR. BELL STATES IN HIS TESTIMONY THAT BY REQUIRING THE
22 FUGITS AND OTHERS WHO WISH TO BUILD PERMANENT HOMES ON
23 THEIR CAMPGROUND LOTS TO PAY FOR THE NECESSARY

1 EXPANSION OF THE UTILITY'S FACILITIES, RIVER'S EDGE "IS
2 ESSENTIALLY AVOIDING ITS RESPONSIBILITY TO INSTALL THE
3 FACILITIES IT NEEDS TO MEET THE REASONABLY EXPECTED
4 SEWAGE DISPOSAL REQUIREMENTS WITHIN RIVER'S EDGE'S
5 SERVICE TERRITORY." DO YOU AGREE WITH MR. BELL'S
6 STATEMENT?

7 A: No, I do not. First, as I have mentioned, it was not reasonable to expect
8 that permanent homes would be built in the Campground Area. Second, it is fair
9 and equitable to require each of the owners who build permanent homes in the
10 Campground Area to pay for the associated costs of expanding the utility's sewer
11 and water capacity; especially when each of the owners stands to gain a
12 tremendous return on his or her investment in a camp lot.

13 To explain this point further, each of the lot owners in the Campground Area
14 purchased their lots for a price commensurate with a campground property.
15 Specifically, the prices of Campground Area lots have ranged from approximately
16 \$15,000 to \$35,000. In contrast, riverfront lots in the Residential Area sell for
17 approximately \$120,000. The Fugits, and the other owners in the Campground
18 Area, could have purchased a riverfront lot in the Residential Area and built
19 permanent homes without any issue. Instead, they purchased a campground lot at
20 a much lower price. The lower price of the Campground Area lots is due in part
21 to the fact that, until recently, the lots were not "buildable." Now that the law will
22 permit these owners to build permanent homes on the Campground Area lots,

1 these owners stand to make a windfall return on their investment as buildable
2 riverfront property is a limited resource that may be sold at a premium.

3 When these lot owners purchased their lots, a proportionate share of the cost of
4 constructing the Campground Mounds was included in the price of the lot. Had
5 the lots been buildable at the time of purchase, the price would have included the
6 cost of the additional facilities that would have been required provide sewer
7 service to a single-family home used as a permanent residence on these lots. This
8 would have increased the price of the lots to be on par with the riverfront lots in
9 the Residential Area. If these owners now desire to build such homes in the
10 Campground Area, and position themselves for a windfall return on their
11 investment in a campground property, it is reasonable to expect these owners to
12 include in the price of development the cost of building the additional wastewater
13 treatment facilities necessary to support the increased wastewater flow. For
14 example, these owners should have to pay for the installation and maintenance of
15 individual pump pits and septic tanks, just as the owners of homes in the
16 Residential Area are required to do.

17 13. Q: MR. BELL TESTIFIED THAT THE FUGITS "WILL [NOT] HAVE ANY
18 MORE IMPACT ON THE MOUND SYSTEM [WHEN LIVING IN THEIR
19 STICK-BUILT HOME] THAN THEY DID WHEN THEY OCCUPIED THEIR
20 MOBILE HOME." DO YOU AGREE WITH HIS STATEMENT?

21 A: No, I do not. First, single-family homes generally produce more wastewater than
22 a mobile home. This is likely attributable to additional restrooms, spa tubs, larger

1 water heaters that allow for longer showers, and the use of appliances not
2 typically found in mobile homes such as garbage disposals. This conclusion is
3 supported by 327 IAC 3-6-11 which provides that single-family homes should be
4 allocated 310 gpd with respect to wastewater treatment capacity, while mobile
5 homes are allocated only 200 gpd. Therefore, the Fugits' permanent stick-built
6 home will directly impact the Mounds System by increasing the wastewater flow
7 to the Campground Mounds.

8 Second, the Fugits' permanent stick-built home will also have a severe indirect
9 impact on the Mounds System. If the Fugits succeed in their quest to force
10 River's Edge to provide sewer service to their stick-built home, they will pave the
11 way for other lot owners in the Campground Area to build similar homes. If the
12 Fugits and other Campground Area lot owners who build permanent homes are
13 not held responsible for paying for the construction of the increased capacity
14 necessary to provide sewer service to the Campground Area turned residential
15 subdivision, the Mounds System will ultimately fail under the increased
16 wastewater flow as River's Edge is unwilling to fund such construction and
17 charge its existing customers exorbitant rates so that the Fugits and others may
18 make a windfall return on their investment in a campground lot.

19 14. Q: MR. BELL STATES IN HIS TESTIMONY THAT "THE UTILITY SHOULD
20 NOT BE PERMITTED TO MAINTAIN THAT IT SHOULD NOT HAVE TO
21 BUILD A NEW MOUND TO ACCOMMODATE GREATER CAPACITY
22 DEMANDS ESPECIALLY WHEN ITS ISDH PERMIT WAS ISSUED WITH
23 THE EXPECTATION THAT THE UTILITY WOULD BUILD MORE

1 MOUNDS THAN THE UTILITY HAS, IN FACT, BUILT.” DO YOU HAVE
2 ANY COMMENT WITH REGARD TO MR. BELL’S STATEMENT?

3 A: Yes, I do. First, it is not our position that River’s Edge does not have to build a
4 new mound or expand its facilities to accommodate the increase in capacity
5 caused by permanent houses in the Campground Area. Rather, River’s Edge’s
6 position has been, and remains, that the customers who are causing the unforeseen
7 increase in wastewater flow and demand on the water supply should pay for the
8 improvements required to meet their change in use of their property. As
9 evidenced by the letters attached to Mr. Bell’s testimony, our attorneys have
10 attempted repeatedly to enter into negotiations with the Fugits to work toward a
11 reasonable and equitable solution to this matter; however, the Fugits attorneys
12 continue to demand that River’s Edge shoulder the entire cost of expanding the
13 utility’s sewer and water capacity to meet their clients’ needs.

14 In addition, it is true that River’s Edge’s original construction permit
15 contemplated that additional mounds would be built to meet increased wastewater
16 treatment demands. Yet, as I have mentioned, these additional mounds were
17 designated for providing service to the Residential Area as future development
18 increased the need for capacity to serve those customers. Further, the plan for the
19 Mounds System has always shown that the Campground Area would be served
20 solely by the Campground Mounds. If no permanent homes were built in the
21 Campground Area, the Campground Mounds would remain sufficient to serve the
22 needs of the customers in that area.

1

2 15. Q: DO YOU AGREE WITH MR. BELL'S RECOMMENDATION THAT THE
3 COMMISSION SHOULD REQUIRE RIVER'S EDGE TO RESTORE WATER
4 AND SEWER SERVICE TO THE FUGITS AND CONTINUE PROVIDING
5 SERVICE TO ANY OTHER OWNER IN THE CAMPGROUND AREA
6 REGARDLESS OF WHETHER THEY INTEND TO BUILD A PERMANENT
7 HOME?

8 A: Again, River's Edge is not opposed to providing sewer and water service to any
9 customers in the Campground Area who build a permanent home, so long as such
10 owners pay their equitable share of the costs of increasing the capacity of the
11 sewer and water systems to provide adequate service to such homes. In addition,
12 such owners would have to remain in compliance with all relevant rules and
13 regulations governing River's Edge to continue receiving sewer and water
14 service. With respect to the Fugits, the principle reason River's Edge
15 disconnected their water service was that they violated the utility's regulations
16 with regard to tampering with the water facilities, and ultimately contaminated the
17 water supply by recklessly attempting to connect their permanent home to River's
18 Edge's water main.

19 16. Q: DO YOU HAVE ANY RESPONSE TO MR. BELL'S RECOMMENDATION
20 THAT RIVER'S EDGE BE REQUIRED TO "PROCURE OR HAVE
21 REINSTATED ALL REQUIRED ISDH PERMITS"?

1 A: Yes, I do. I have testified previously that River's Edge has understood for a
2 number of years that it would have to obtain a new construction permit from the
3 ISDH before building any additional mounds. Thus, I have no objection to this
4 recommendation.

5 17. Q: DO YOU BELIEVE IT WOULD BE FAIR FOR THE COMMISSION TO
6 APPOINT A RECEIVER TO OPERATE RIVER'S EDGE AND MAKE ANY
7 NECESSARY IMPROVEMENTS TO SERVE THE FUGITS OR ANY OTHER
8 OWNERS WHO BUILD PERMANENT HOMES IN THE CAMPGROUND
9 AREA AS MR. BELL RECOMMENDS?

10 A: No, I do not. River's Edge has operated the utility and provided adequate sewer
11 and water service to its customers for more than seventeen (17) years. Five (5)
12 years after River's Edge completed construction of the Mounds System, the ISDH
13 revoked our construction permit. After losing our appeal of the revocation, we
14 cooperated with the ISDH in trying to meet there demands. Approximately five
15 (5) years later, the ISDH issued the September 2000 Letter. Again, we worked
16 with the ISDH to address its concerns and satisfy its demands. We thought we
17 had resolved all of the ISDH's issues until almost six (6) years later the ISDH
18 raised the September 2000 Letter in its August 2006 Letter. After receiving this
19 most recent letter, we have been working diligently through our attorneys to
20 respond to the ISDH and the IURC in this Cause to reach a solution that would
21 enable River's Edge to provide sewer and water service to permanent homes in
22 the Campground Area in a manner that would be fair and equitable. In light of
23 our long history of successfully providing sewer and water service to customers in

1 River's Edge's service territory, and our good faith efforts to resolve the concerns
2 of the ISDH, I believe it would be unfair for the Commission to appoint a receiver
3 to run River's Edge so that the Fugits and other owners in the Campground Area
4 may build permanent homes without incurring any cost for the increased capacity
5 demands such homes would create.

6 18. Q: DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

7 A: Yes, it does.

8 844233/12830-3